

WEST WARREN – WARREN WATER
IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2005

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

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Board of Directors
West Warren – Warren
Water Improvement District
1688 South 7500 West
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We have compiled the accompanying statement of net assets of West Warren – Warren Water Improvement District as of December 31, 2005, and the related statements of revenues, expenses and changes in fund net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Wood Richards & Associates

June 16, 2006

CERTIFIED PUBLIC ACCOUNTANTS

WEST WARREN - WARREN WATER IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING DECEMBER 31, 2005

INTRODUCTION

The following is a discussion and analysis of West Warren - Warren Water Improvement District's financial performance and activities for the year ending December 31, 2005.

HIGHLIGHTS

During 2005 the District maintained a strong revenue base by collecting more rates and taxes than the cost of operations. All impact fees continue to be used for capital improvements needed to support the continued growth.

The District service charge rate has remained constant for several years with increased growth covering the cost of inflation. Future rates will continue to be based on needs of the District for renewal and replacement of facilities.

The District purchased land for the site of a new water tank and Water District building.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the District's Basic Financial Statements. The District's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States, promulgated by the Government Accounting Standards Board. The District reports as a single enterprise fund. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the District's significant accounting policies.

The District's financial statements are comprised of three basic statements. The Statement of Net Assets shows the overall net assets of the District. Increases and decreases in net assets are one indicator of the District's overall financial condition. The Statement of Revenues, Expenses, and Changes in Fund Net Assets identify functions of the District that are intended to recover all or most of their costs primarily through user fees and charges (business-type activities). The Statement of Cash Flows reports cash flows in four categories or activities - operating, capital and related financing, non-capital financing and investing.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets

The largest component of the District's net assets, 60.6%, reflects investments in capital assets (land, buildings, equipment, and infrastructure) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities.

Management's Discussion and Analysis

Restricted net assets comprise 20.7% of total net assets and are subject to external restrictions on how they may be used. The remaining 18.7% of net assets is unrestricted and may be used at the District's discretion to meet its ongoing obligations to citizens and creditors.

Business-Type Activities

The business-type activities are summarized as follows:

	2005	2004
Assets		
Current and other assets	\$ 241,275	\$ 257,055
Restricted assets	266,407	236,407
Capital assets - net of depreciation	780,340	738,962
Total assets	1,288,022	1,232,424
Liabilities		
Current liabilities	707	672
Non-current liabilities	-	-
Total liabilities	707	672
Net Assets		
Invested in capital assets net of related debt	780,340	738,962
Restricted for construction	266,407	236,407
Unrestricted	240,568	256,383
Total net assets	\$ 1,287,315	\$ 1,231,752

Changes in Net Assets

The Net Assets in the Enterprise Fund increased by \$55,563.

	2005	2004
Revenues		
Operating revenue	\$ 117,351	\$ 105,820
Operating expenses	104,186	108,300
Operating income (loss)	13,165	(2,480)
Non-operating revenues	39,023	25,916
Non-operating expenses	-	-
Net income before capital contributions	52,188	23,436
Capital contributions	3,375	2,200
Change in net assets	55,563	25,636
Net assets - beginning	1,231,752	1,206,116
Net assets - ending	\$ 1,287,315	\$ 1,231,752

Management's Discussion and Analysis

Capital Assets

West Warren - Warren Water Improvement District added \$64,655 in new capital assets during the fiscal year.

Long-Term Debt

The District currently owes no long-term debt.

ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of West Warren - Warren Water Improvement District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or any other matters related to the District's finances should be addressed to West Warren - Warren Water Improvement District, 5783 West 950 North, Ogden, Utah 84404.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds Water
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 173,286
Accounts receivable	8,966
Property tax receivable	449
Prepaid expenses	53,847
Inventory	4,727
Total current assets	<u>241,275</u>
Noncurrent assets:	
Restricted cash and cash equivalents	266,407
Fixed assets	1,209,276
Less: Accumulated depreciation	(428,936)
Total noncurrent assets	<u>1,046,747</u>
Total assets	<u>1,288,022</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>707</u>
Total current liabilities	<u>707</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	780,340
Restricted-construction	266,407
Unrestricted	<u>240,568</u>
Total net assets	<u>\$ 1,287,315</u>

The accompanying notes are an integral part of these statements.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Water</u>
<u>OPERATING REVENUE</u>	
Water service charges	\$ 106,726
Connection fees	7,325
Fire hydrant fees	3,300
Total operating revenue	<u>117,351</u>
<u>OPERATING EXPENSES</u>	
Source of water supply	49,800
Depreciation	23,277
Professional services	6,710
System repairs and maintenance	6,512
Fees - Board of Trustees	5,400
Salaries and wages	5,225
Office supplies and expense	3,650
Insurance and surety bonds	1,887
Miscellaneous	1,281
Payroll taxes	444
Total operating expenses	<u>104,186</u>
Operating income (loss)	<u>13,165</u>
<u>NONOPERATING REVENUE (EXPENSES)</u>	
General property taxes	13,469
Fees-in-lieu of taxes	50
Other fees	2,837
Impact fees	7,325
Interest income	15,342
Total nonoperating revenue (expenses)	<u>39,023</u>
Net income (loss) before contributions	52,188
Capital contributions	3,375
Change in net assets	55,563
Net assets - beginning	<u>1,231,752</u>
Net assets - ending	<u><u>\$ 1,287,315</u></u>

The accompanying notes are an integral part of these statements.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Water</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 113,192
Payments to suppliers	(78,875)
Payments to employees	(5,201)
	<u>29,116</u>
Net cash provided (used) by operating activities	<u>29,116</u>
Cash Flows From Noncapital Financing Activities	
Receipts from property taxes	<u>16,110</u>
Net cash provided (used) by noncapital financing activities	<u>16,110</u>
Cash Flows From Capital and Related Financing Activities	
Contributed capital	-
Impact fees	7,325
Other fees	50
Purchases of capital assets	(59,780)
	<u>(52,405)</u>
Net cash provided (used) by capital and related financing activities	<u>(52,405)</u>
Cash Flows From Investing Activities	
Interest and dividends received	<u>15,342</u>
Net cash provided (used) by investing activities	<u>15,342</u>
Net increase (decrease) in cash and cash equivalents	8,163
Cash and cash equivalents - beginning	<u>431,530</u>
Cash and cash equivalents - ending	<u><u>\$ 439,693</u></u>

The accompanying notes are an integral part of these statements.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Water</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 13,165
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	23,277
(Increase) decrease in prepaid expense	(3,203)
(Increase) decrease in inventory	-
(Increase) decrease in accounts receivable	(4,159)
Increase (decrease) in accounts payable	<u>36</u>
Net cash provided (used) by operating activities	<u><u>\$ 29,116</u></u>

Noncash Capital Financing Activities:

Capital assets of \$3,375 were acquired through contribution from developers and homeowners.

Capital assets of \$1,500 were acquired through use of inventory items that were capitalized.

The accompanying notes are an integral part of these statements.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of West Warren - Warren Water Improvement District, Utah conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The District has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The West Warren - Warren Water Improvement District was organized in 1980 by the Weber County Commission for the purpose of construction of a culinary water distribution system for unincorporated areas of West Warren and Warren. The District has a contract with the Weber Basin Water District for the source of water. Construction on the water distribution system was completed during February 1984. The system was placed in service and the District began charging residents for water usage at that time. The District operates under a Board of Trustees form of government.

The criteria set forth by generally accepted accounting principles (GAAP) was used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity. Under GASB-14 (The Financial Reporting Entity) the financial reporting entity consists of the primary government.

The District has no component units.

B. Fund Financial Statements

The financial transactions of the District are recorded in an individual fund. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The District reports the following major proprietary fund:

Water Fund	The water fund is used to account for operations of the water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
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WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal sources of operating revenues for the proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

The District has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. Accordingly, the District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Consequently, the District does not apply FASB pronouncements issued after November 30, 1989.

D. Assets, Liabilities, and Fund Balances/Net Assets

The following are the District's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Pooled Cash and Temporary Investments

Unrestricted and restricted cash balances are combined to form a pool of cash which is managed by the District Treasurer. Utah State Statutes allow for investments in the Utah Public Treasurer's Investment Fund and Utah Money Management Act (UMMA) approved financial institutions. The UMMA provides for a committee to evaluate financial institutions and provide a list of those qualified as depositories for public funds, including the amount they are authorized to maintain over and above insured amounts. The District Treasurer invests unrestricted and restricted cash with the Utah Public Treasurer's Investment Fund and with local financial institutions. Investments in the pooled cash fund consist primarily of certificates of deposit, repurchase agreements, and time deposits and are carried at cost which approximates market value. Interest income earned as a result of pooling is distributed to the appropriate funds based on month end balances of cash. The District considers all highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Inventories

Inventories are maintained by the District on a cost basis, and consist of pipe and other supplies.

Restricted Assets

Certain resources set aside as reserves in accordance with District resolutions and State statutes are classified as restricted assets on the statement of net assets because their use is limited.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Assets (Continued)

Capital Assets

All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital assets are defined as assets with an initial, individual cost of more than \$5,000.

Infrastructure capital assets which are newly constructed or contributed are capitalized.

Depreciation of all exhaustible capital assets is charged as an expense in the related program. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	30-50 years	Equipment	5-10 years
Improvements	10-50 years	Infrastructure	25-40 years

Long-term Obligations

In the proprietary fund financial statements, long-term debt obligations are reported as liabilities. As of December 31, 2005, there were no long-term liabilities.

Net Assets/Fund Balances

The difference between assets and liabilities is *net assets* on the fund financial statements. The District's net assets are classified as follows:

- * *Invested in capital assets, net of related debt* - This component of net assets consists of the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.
- * *Restricted for construction* - This component of net assets consists of that portion of the net assets that is restricted for capital improvement expenditures.
- * *Unrestricted* - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Revenues and Expenditures

The following are the District's significant policies related to recognition and reporting of certain revenues, and expenditures.

Revenue Availability

Statement of Governmental Accounting Standards (SGAS) No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a non-exchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), the District has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2005.

Expenditure Recognition

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

F. Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue.

G. Compensated Absences

District policy does not provide for vested or accumulated vacation leave.

H. Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Receivables

Receivables include amounts due from customers primarily for services. These receivables are due within one month of billing. No allowance for doubtful accounts has been recorded since the District considers all accounts to be collectible. When an amount is deemed to be uncollectible, the receivable will be written off at that time.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

The District's deposits are carried at cost.

At December 31, 2005, the carrying amount of the District's deposits was \$17,188 and the bank balance was \$70,838. Of the bank balance, \$70,838 was covered by federal depository insurance.

B. Investments

At year-end investments consist of funds in the Utah Public Treasurer's Investment Fund. This investment is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act. The investment is not categorized as to credit risk because it does not represent a security that exists in physical or book entry form. Investments are carried at cost which approximates their fair value.

Investments not subject to categorizations:

	Carrying Amount	Market Value
Utah Public Treasurer's Investment Fund	\$ 422,505	\$ 422,321

C. Summary

	Carrying Amount
Deposits	\$ 17,188
Investment in Utah Public Treasurer's Investment Fund	422,505
Total deposits and investments	\$ 439,693
Equity in pooled cash and investments	\$ 173,286
Restricted cash - construction	266,407
Total deposits and investments	\$ 439,693

Deposit and Investment Risk Disclosure. Deposits and investments for West Warren-Warren Water Improvement District are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the District's exposure to various risks related to its cash management activities.

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of District funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commission of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The District's deposits in the bank in excess of the insured amount are uninsured and are not collateralized, nor do state statutes require them to be. The District's deposits at December 31, 2005, were \$70,838, of which \$70,838 was insured under federal depository insurance.

Credit risk. Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations; and shares in a money market fund as defined in the Act.

The District is also authorized to invest in the Utah Public Treasurer's Investment Fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

For the year ended December 31, 2005, the local government had investments of \$422,505 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest rate risk. Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy to limit this risk is to adhere to the rules of the Money Management Act.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005, was as follows:

	Balance December 31, 2004	Additions	(Deletions)	Balance December 31, 2005
BUSINESS-TYPE ACTIVITIES				
Nondepreciated Assets				
Land	\$ -	\$ 56,299	\$ -	\$ 56,299
Total nondepreciated assets	-	56,299	-	56,299
Depreciated Assets				
	51,905	-	-	51,905
Water distribution system	1,080,018	8,356	-	1,088,374
Office furniture and equipment	12,698	-	-	12,698
Total depreciated assets	1,144,621	8,356	-	1,152,977
Less accumulated depreciation				
Water distribution system	(395,639)	(22,705)	-	(418,344)
Office furniture and equipment	(10,020)	(572)	-	(10,592)
Total	(405,659)	(23,277)	-	(428,936)
Net assets depreciated	738,962	(14,921)	-	724,041
Business type activities - net	\$ 738,962	\$ 41,378	\$ -	\$ 780,340

Depreciation Expense

	Business Type
December 31, 2005	\$ 23,277

NOTE 4 - RISK MANAGEMENT

West Warren-Warren Water Improvement District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability policies purchased include automobile, general liability, property, bond (employee dishonesty), treasurer, public officials and officers, excess liability, and workman's compensation. As of December 31, 2005, there is no anticipation of unpaid claims. Therefore, a liability is not accrued. Settlement amounts have not exceeded coverage for the current year or the three prior years.

WEST WARREN-WARREN WATER IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005

NOTE 5 - LEGAL COMPLIANCE BUDGETS

The budget for the year ending December 31, 2005, was approved and adopted by resolution or ordinance dated December 7, 2004. A public hearing, meeting the requirements specified in the Utah Code 11-35-113/114, was held on December 7, 2004. The budget was amended during the year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the enterprise fund. All annual appropriations lapse at fiscal year end. Encumbrance accounting is not used by the District.

NOTE 6 - POST-EMPLOYMENT BENEFITS

The District does not provide any post-employment benefits at the present time.

NOTE 7 - EMPLOYEE RETIREMENT SYSTEM

The District does not participate in or maintain any retirement plans for its employees.

NOTE 8 - PROPERTY TAX CALENDAR

Lien date	Jan.1
Taxing districts notify the county of date, time and place of public hearing	Mar. 1
County auditor sends valuation certified tax rate and levy worksheets to each taxing district	Jun. 8
Taxing district must adopt a proposed tax rate, certify the rate and levy, and submit it to the county auditor	Before Jun. 22
Taxing district adopts a final tax rate if there is no increase in the certified tax rate	Jun. 22
Due date for property taxes	Nov. 30
Taxing district adopts the final budget prior to beginning of the ensuing year	
Copy of the budget is submitted to the state auditor within 30 days of its adoption	